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The Aluminum Situation

Department of Economics and Statistics

October 1985

Shipments Off 2.1 Percent

Net shipments for eight months of 1985, at an estimated 10,190 million pounds, were 2.1 percent lower than the 10,410 million pounds for eight months of 1984.

Domestic shipments of 9,302 million pounds were 4.1 percent lower than the 9,699 million pounds shipped in eight months of 1984.

Imports were down 9.6 percent and exports improved 24.9 percent.

Thru August 1985

	8 mos. 1985	8 mos. 1985	% Change
Mill Products	8,073	8,227	- 1.9
Ingot	2,117	2,183	- 3.0
Total	10,190	10,410	- 2.1
Less Exports	(888)	(711)	+24.9
Domestic Total	9,302	9,699	- 4.1

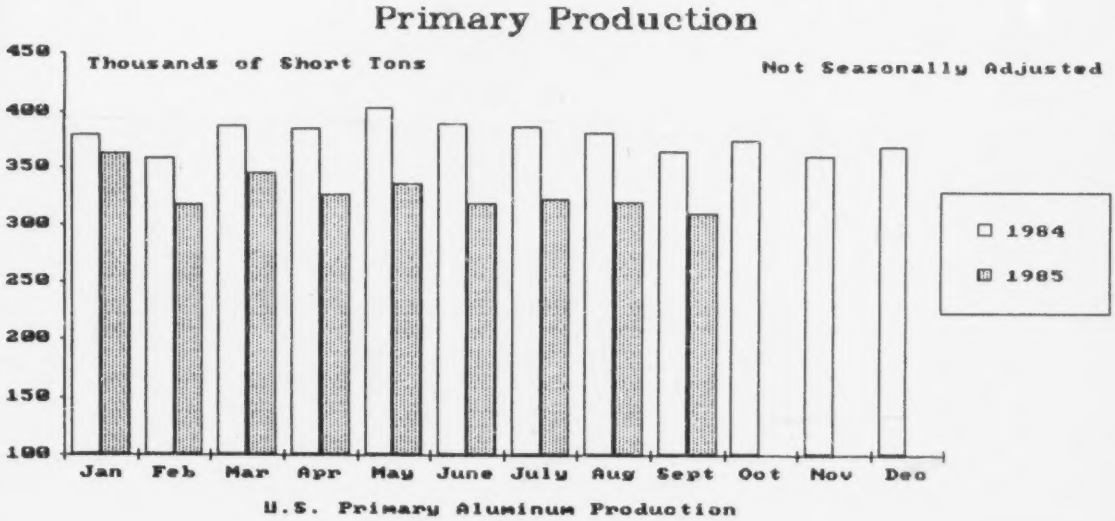
Millions of Pounds
Source: Latest two months estimated by the Aluminum Association. Previous data-Bureau of the Census.

Production Rate Down 14.8 Percent

U.S. primary aluminum production averaged 10,300 short tons daily during September 1985 compared with an average 12,094 tons day in September 1984.

The annual rate of production in September 1985 was 3,759,646 tons, compared to 3,752,647 tons in August 1985. September 1984 production rate was 4,426,221 tons.

Actual production in September 1985 was 309,012 tons.

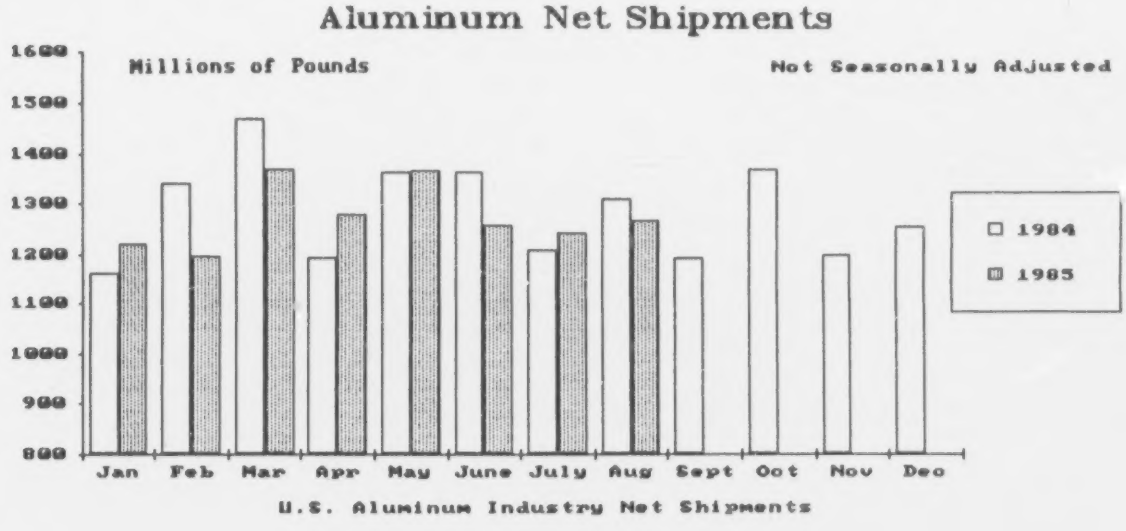


Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

The Aluminum Situation

Eight Months 1985 Shipments 2.1 Percent Less Than Year Ago

Estimated shipments of 10,190 million pounds for the first eight months of 1985 were down 2.1 percent from 1984's same period. Exports show a 24.9 percent increase. Domestic shipments were off 4.1 percent.



Net Shipments

(Millions of Pounds)

	1985 Aug*	1984 Aug.	1985 8 mos*	1984 8 mos.	% Change YTD 1985 vs. 1984
Sheet	549.0	495.9	4,203.1	4,311.6	- 2.5
Plate	21.0	24.0	173.0	172.4	+ 0.3
Foil	71.0	74.0	542.5	583.7	- 7.1
Rod, Bar & Wire	25.0	31.1	204.3	274.8	-25.7
Electrical Conductor	55.0	68.1	473.1	479.5	+ 1.3
Extruded Shapes & Tube**	217.0	209.9	1,763.7	1,633.3	+ 8.0
Powder & Paste	9.0	9.0	74.7	66.9	+11.7
Forgings & Impacts	12.0	12.8	100.8	99.3	+ 1.5
Net Imports of Mill Products (Total) (a)	58.0	73.7	537.9	605.3	-11.1
Total Mill Products	1,017.0	998.5	8,073.1	8,226.8	- 1.9
Ingot (b)	250.0	310.9	2,116.8	2,182.6	- 3.0
TOTAL INDUSTRY SHIPMENTS	1,267.0	1,309.4	10,189.9	10,409.4	- 2.1
Exports	(95.1)	(122.?)	(887.6)	(710.6)	+24.9
TOTAL DOMESTIC SHIPMENTS	1,171.9	1,187.1	9,302.3	9,698.8	- 4.1

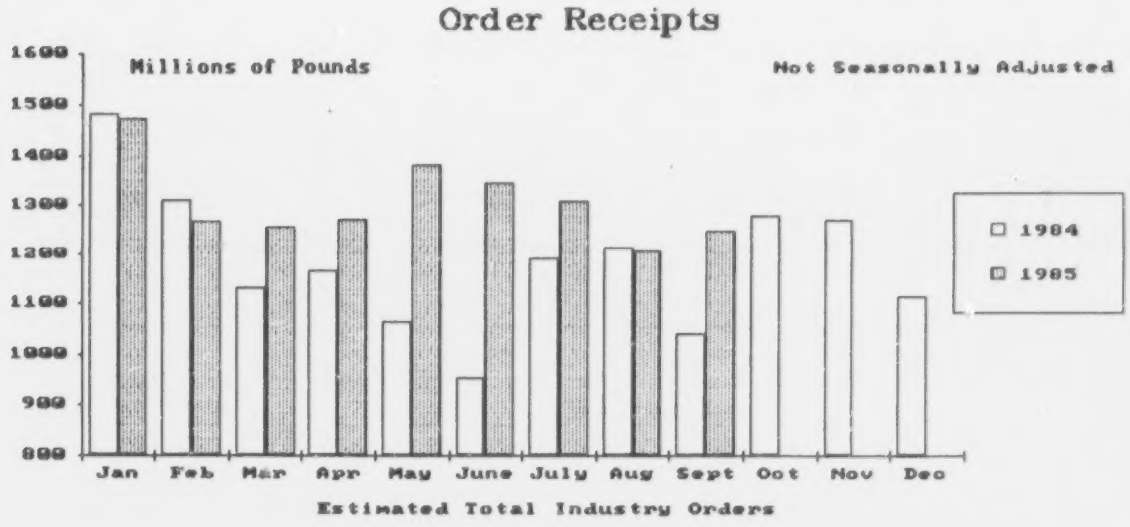
** January-May 1985 shapes and tubes increased to account for unsourced Census revision to total mill products.

*Latest two months estimated by the Aluminum Association.
Previous data-Bureau of the Census and Department of Commerce.
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.

Commencing January 1985, Census reports have changed product categories as follows: Rod, Bar and Wire now includes Extruded Rod and Bar; the former Extruded Products now only consists of Shapes and Pipe and Tube; and Welded Tube has been dropped.

Nine Months Orders 11.4 Percent Over Year Ago

Estimated net new order receipts for the first nine months of 1985 of 11,742 million pounds were up 11.4 percent over the 10,541 million pounds for the first nine months of 1984. September 1985 orders were 19.7 percent above September 1984.



Order Receipts

(Millions of Pounds)

	1985 Sept*	1984 Sept.	1985 9 mos*	1984 9 mos.	% Change YTD 1985 vs. 1984
Can Stock(a)	290.6	190.0	2,493.8	2,335.2	+ 6.8
Sheet & Plate, Other	287.3	236.0	3,058.9	2,423.9	+26.2
Foil	69.4	68.9	553.3	605.1	- 8.5
Rod, Bar & Wire	26.3	22.4	161.3	208.4	-22.6
Electrical Conductor	45.8	73.6	533.1	564.4	- 5.5
Extruded Products	196.3	174.0	1,936.7	1,698.2	+14.0
Powder & Paste	12.5	7.2	94.0	85.3	+10.2
Forgings & Impacts	8.1	7.1	88.2	99.7	-11.5
Domestic Mill Products	1,135.3	779.2	8,919.3	8,020.2	+11.2
Ingot (Total)	22.7	184.6	2,050.1	1,827.4	+12.2
TOTAL DOMESTIC	1,158.0	963.8	10,969.4	9,847.6	+11.4
Exports	86.5	75.5	772.1	693.1	+11.4
TOTAL ALL PRODUCTS	1,244.5	1,039.3	11,741.5	10,540.7	+11.4

Source: The Association estimates total industry orders, based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.
(a) Import orders included in Sheet and Plate, Other.
*Latest month.

Inventories Declined in August 1985 to 5,507 Million Pounds

Producer inventories decreased an estimated 63 million pounds in August 1985 from the revised July 1985 level of 5,570 million pounds. The Bureau of The Census recently revised inventory data upwards for January through July 1985. Through August, inventories now appear to be down 342 million pounds from year-end 1984.

Month-End Aluminum Inventories
By Type of Producer
Figures in Millions of Pounds

Month	Total*	Integrated	Smelters	Non-Integrated
Dec 80	5,076	4,018	261	797
Dec 81	6,607	5,542	266	798
Dec 82	6,180	5,224	216	740
Dec 83	4,994	3,979	163	853
Sep 84	5,881	4,710	226	945
Oct 84	5,889	4,722	225	942
Nov 84	5,920	4,792	205	925
Dec 84	5,849	4,692	229	929

Month	Total*	Ingot	Scrap	All Other
Jan 85	5,916r	2,582r	710r	2,624r
Feb 85	5,820r	2,695r	676r	2,450r
Mar 85	5,800r	2,560r	663r	2,577r
Apr 85	5,728r	2,597r	682r	2,449r
May 85	5,684r	2,579r	693r	2,412r
Jun 85	5,596r	2,436r	664r	2,496r
Jul 85	5,570r	2,432r	679r	2,459r
Aug 85	5,507	2,392	685	2,430

*Latest two months estimated by the Aluminum Association.
Previous data-Bureau of the Census and Department of Commerce.
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.
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Imports and Exports

(Millions of Pounds)

		1985 Aug.	1984 Aug.	1985 8 mos.	1984 8 mos.	% Change 1985 vs. 1984
Imports	Mill Products	79.8	105.1	677.6	759.7	-10.8
	Ingot	160.0	139.4	1,239.6	1,331.6	- 6.9
	Total	239.8	244.5	1,917.2	2,091.3	- 8.3
	Scrap (+ dross)	19.5	26.4	163.4	210.6	-22.4
	Grand Total	259.3	270.9	2,080.6	2,301.9	- 9.6
Exports	Mill Products	40.3	47.2	297.1	352.3	-15.7
	Ingot	54.8	75.0	590.5	358.3	+64.8
	Total	95.1	122.2	887.6	710.6	+24.9
	Scrap	79.2	42.0	584.3	298.5	+95.8
	Grand Total	176.4	164.2	1,471.9	1,009.1	+45.9
Net Imports		69.9	106.7	608.7	1,292.8	-52.9

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Excludes backed foil.